

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

P

W-01653A
Park Valley Water Company
P.O. Box 487
Show Low, AZ 85902

RECEIVED

MAY 16 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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Entered
5-16-06
RF

FOR COMMISSION USE
ANN04 05

COMPANY INFORMATION

Company Name (Business Name) _____ Park Valley Water Company, Inc. _____

Mailing Address _____ P.O. Box 487 _____
(Street)

_____ Show Low _____ AZ _____ 85902-0487 _____
(City) (State) (Zip)

928-537-1114 _____ 928-537-5060 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email
Address vmac@citlink.net _____

Local Office Mailing Address _____ Same as above _____
(Street)

_____ (City) _____ (State) _____ (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: _____ Victoria McCarty _____ Secretary/Treasurer _____
(Name) (Title)

_____ P.O. Box 487 _____ Show Low _____ AZ _____ 85902-0487 _____
(Street) (City) (State) (Zip)

_____ 928-537-1114 _____ 928-537-5060 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____ vmac@citlink.net _____

On Site Manager: _____
(Name)

_____ (Street) _____ (City) _____ (State) _____ (Zip)

_____ Telephone No. (Include Area Code) _____ Fax No. (Include Area Code) _____ Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: James D. McCarty

(Name)

1500 W. Dence of Clubs
(Street)

928-537-1114

Show Low
(City)

928-537-5060

AZ
(State)

85901
(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Grant & Vaughn, P.C.

(Name)

6225 N. 24th Street/Suite 125
(Street)

Phoenix
(City)

AZ
(State)

85016
(Zip)

602-393-4322

Telephone No. (Include Area Code)

602-393-4327

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☒ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME **Park Valley Water Company, Inc.**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	238	0	238
303	Land and Land Rights	8,654	0	8,654
304	Structures and Improvements	2,320	1,703	617
307	Wells and Springs	30,435	15,758	14,677
311	Pumping Equipment	12,140	9,127	3,013
320	Water Treatment Equipment	3,510	3,510	0
330	Distribution Reservoirs and Standpipes	48,972	20,172	28,800
331	Transmission and Distribution Mains	235,245	55,259	179,986
333	Services	6,301	4,747	1,554
334	Meters and Meter Installations	9,999	9,144	855
335	Hydrants	5,538	2,462	3,076
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	6,034	1,919	4,115
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	45,000	7,500	37,500
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	414,386	131,301	283,085

This amount goes on the Balance Sheet Acct. No. 108 

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	238	0	0
303	Land and Land Rights	8654	0	0
304	Structures and Improvements	2,320	2.45	57
307	Wells and Springs	30,435	2.97	904
311	Pumping Equipment	12,140	5.05	613
320	Water Treatment Equipment	3,510	4.30	0
330	Distribution Reservoirs and Standpipes	48,972	1.80	881
331	Transmission and Distribution Mains	235,245	2.20	5,175
333	Services	6,301	2.96	187
334	Meters and Meter Installations	9,999	3.82	382
335	Hydrants	5,538	1.94	107
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	6,034	5.14	310
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	45,000	.033	1,500
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	414,386		10,116

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$12,504	\$56,517
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2,020	4,865
146	Notes/Receivables from Associated Companies	125,271	134,587
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$139,795	\$195,969
	FIXED ASSETS		
101	Utility Plant in Service	\$401,760	414,386
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(121,185)	(131,301)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$280,575	\$283,085
	TOTAL ASSETS	\$420,370	\$479,054

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$1,022	\$75
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	16,441	
235	Customer Deposits	31,150	37,926
236	Accrued Taxes	269	898
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$48,882	\$38,899
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	90,513	99,238
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	52,251	52,251
272	Less: Amortization of Contributions	(10,095)	(10,574)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$132,669	\$140,915
	TOTAL LIABILITIES	\$181,551	\$179,814
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$5,500	\$5,500
211	Paid in Capital in Excess of Par Value	1,028	1,028
215	Retained Earnings	232,291	292,712
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$238,819	\$299,240
	TOTAL LIABILITIES AND CAPITAL	\$420,370	\$479,054

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$193,467	\$205,733
460	Unmetered Water Revenue		
474	Other Water Revenues	18,988	7,893
	TOTAL REVENUES	\$212,455	\$213,626
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water	531	
615	Purchased Power	12,661	12,248
618	Chemicals		
620	Repairs and Maintenance	14,353	21,836
621	Office Supplies and Expense	11,447	16,944
630	Outside Services	65,117	44,147
635	Water Testing	383	298
641	Rents	13,722	12,416
650	Transportation Expenses	1,787	2,081
657	Insurance -- General Liability	709	657
659	Insurance - Health and Life	5,064	3,611
666	Regulatory Commission Expense -- Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense	9,724	10,116
408	Taxes Other Than Income	15,318	15,359
408.11	Property Taxes	7,546	8,002
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$158,362	\$147,715
	OPERATING INCOME/(LOSS)	\$54,093	\$65,911
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$278	\$191
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(200)	(153)
	TOTAL OTHER INCOME/(EXPENSE)	\$78	\$38
	NET INCOME/(LOSS)	\$54,171	\$65,949

COMPANY NAME **Park Valley Water Company, Inc.**

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 34,326
Meter Deposits Refunded During the Test Year	\$ 32,494

COMPANY NAME Park Valley Water Company, Inc.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-628642	20	110	550'	8"	2"	1959
55-552190	25	130	575'	8"	2"	1996

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City of Show Low	350	0

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	1	22	
10	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
300,000 (60%=Park Valley/ 40%=Fools Hollow)	1	5,000	1

COMPANY NAME Park Valley Water Company, Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Plastic	525
3		
4	Plastic	14,740
5		
6	Plastic	25,524
8	Plastic	4,825
10		
12	Plastic	1,430

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	528
3/4	5
1	13
1 1/2	
2	1
Comp. 3	
Turbo 3	1
Comp. 4	
Tubo 4	1
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

Two (2) well houses, one (1) booster station

OTHER:

Land 130' x 130', 30' x 50'

COMPANY NAME: Park Valley Water Company, Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	471	1,694,667	1,853,966
FEBRUARY	475	1,620,757	1,774,729
MARCH	483	1,709,957	1,868,983
APRIL	513	2,466,189	2,688,146
MAY	522	3,137,377	3,404,054
JUNE	524	5,120,724	5,535,503
JULY	531	4,224,634	4,575,279
AUGUST	538	2,566,911	2,787,665
SEPTEMBER	549	3,856,288	4,180,216
OCTOBER	529	2,520,816	2,735,085
NOVEMBER	511	1,989,102	2,164,143
DECEMBER	509	2,232,790	2,427,043
TOTAL		33,140,212	35,994,812

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 55-628642=.0086 mg/l
(If more than one well, please list each separately.) 55-552190=.0039 mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Park Valley Water Company, Inc. YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 8,002.23

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

BOOK	PARCEL #	AREA	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRU	PRIMARY PROPERTY TAX
833	01 020 4 1020		6.4963	3.7830		5,359.44
ASSESSMENT RATE	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE	LESS STATE AID TO EDUCATION	NET PRIMARY PROPERTY TAX	SECONDARY PROPERTY TAX
330,000	25.0	82,500	0	82,500	5,359.44	2,878.58
330,000	25.0	82,500	0	82,500		
323,261	25.0	80,815	0	80,815		
4,680	25.0	1,170	0	1,170		
2,059	25.0	515	0	515		
						SPECIAL DISTRICT TAX
						0.00
						TOTAL TAX DUE FOR 2005
						8,238.02

076677

TOTAL VALUE OF OPERATING PROPERTY
159-57-002-F 4,680

This is the only notice you will receive.

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook, AZ 86025-0668

THIS IS A
CALENDAR YEAR
BILL

JURISDICTION	2005 TAXES	2004 TAXES	DIFFERENCE
NAVAJO COUNTY	522.80	503.70	19.10
SCHOOL EQUAL	359.53	363.66	-4.13
SHOW LOW SD #10	4,166.02	4,371.57	-205.55
NORTH-P10 COLLG	1,254.00	1,203.59	50.41
SHOW LOW FD	1,540.37	988.90	551.47
FIRE DIST AST FD	82.51	79.75	2.76
CTY-SHOWLOW SLID	79.78	87.49	-7.71
NAV CO LIBRARY D	24.74	15.94	8.80
NAVAJO COUNTY FD	5.06	3.65	1.41
PUBLIC HLTH SERV	161.95	60.53	101.42
NORTHERN AZ VIT	41.26	39.88	1.38
TOTALS	8,238.02	7,718.66	519.36

0206768 01 AV 0.278 **AUTO H8 0 0784 85902-048787



PARK VALLEY WATER CO
JAMES MCCARTY/PRESIDENT
P O BOX 487
SHOW LOW AZ 85902-0487

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2005. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2006. To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2005. Delinquent interest will be waived.

Make your check payable to and mail to:

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook, AZ 86025-0668

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

Date: 11/30/05 Page: 3 of 5
Primary Account: 2901001301

PARK VALLEY WATER CO., INC. P.O. BOX 487 PH. 928-537-1114 SHOW LOW, AZ 85902		THE STOCKMEN'S BANK SHOW LOW BRANCH 240 S. WHITE MOUNTAIN ROAD SHOW LOW, AZ 85901	3659 91-304-1221 10/27/2005
PAY TO THE ORDER OF	Navajo County Treasurer		\$ 4,144.49
Four Thousand One Hundred Forty-Four and 49/100			DOLLARS
Navajo County Treasurer P.O. Box 668 Holbrook, AZ 86025			
MEMO	Parcel #933-01-070 & 020	<i>Victoria McCarty</i>	
		⑈003659⑈ ⑆122105045⑆ 2901001301⑈ ⑈0000414449⑈	

Ck# 3659

Date 11/15/05

Amt \$4,144.49

PARK VALLEY WATER CO., INC. P.O. BOX 487 PH. 928-537-1114 SHOW LOW, AZ 85902		THE STOCKMEN'S BANK SHOW LOW BRANCH 230 S. WHITE LODGE ROAD SHOW LOW, AZ 85901	3459 91-504-1221 4/28/2005
PAY TO THE ORDER OF Manuel Hernandez - Navajo Co. Treasurer		\$ **3,859.33	
Three Thousand Eight Hundred Fifty-Nine and 33/100		DOLLARS	
Manuel Hernandez - Navajo Co. Treasurer P.O. Box 668 Holbrook, AZ 86025		<i>Victoria McCarty</i>	
MS:O Parcel #933-01-070		0003459 122105045 2901001301 0000385933	

Ck# 3459 Date 05/10/05 Amt \$3,859.33

RECEIVED

MAY 16 2006

VERIFICATION
AND
SWORN STATEMENT
Taxes

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>Navajo</u>
NAME (OWNER OR OFFICIAL), TITLE
<u>Victoria McCarty</u>
COMPANY NAME
<u>Bark Valley Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2005</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Victoria McCarty

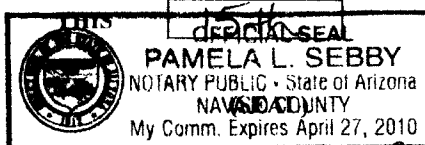
SIGNATURE OF OWNER OR OFFICIAL

928-667-1114

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

COUNTY NAME
<u>Navajo</u>
MONTH
<u>May 17 2006</u>

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

04-27-2010

COMPANY NAME Park Valley Water Company

YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported

Estimated or Actual Federal Tax Liability

State Taxable Income Reported

Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Victoria McCarty
SIGNATURE

4/15/06
DATE

Victoria McCarty
PRINTED NAME

Secretary/Treasurer
TITLE

RECEIVED

MAY 03 2006

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	NAVAJO
NAME (OWNER OR OFFICIAL) TITLE	VICTORIA MCCARTY, SECRETARY
COMPANY NAME	PARK VALLEY WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 205,733.32

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 15,359.23
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

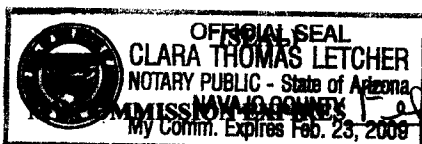
THIS 1st DAY OF

Victoria McCarty
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER
928-537-1144

COUNTY NAME	<u>Navajo</u>	
MONTH	<u>May</u>	<u>2006</u>

Clara Thomas Letcher
SIGNATURE OF NOTARY PUBLIC



RECEIVED

MAY 03 2006

AZ CORP COMM
Director Utilities

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) NAVAJO	
NAME (OWNER OR OFFICIAL) Victoria McCarty	TITLE Secretary
COMPANY NAME PARK VALLEY WATER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>182,227.88</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 13,997.95
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Victoria McCarty
SIGNATURE OF OWNER OR OFFICIAL

928-537-1144
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

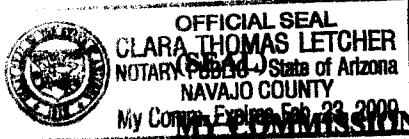
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15

DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME	<u>Navajo</u>
MONTH	<u>May</u> .20 <u>06</u>



EXPIRES Feb. 23, 2009

x Clara Thomas Letcher
SIGNATURE OF NOTARY PUBLIC